

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NORTH CAROLINA  
RALEIGH DIVISION**

OCT 29 2004

<b>IN RE:</b>	)	
	)	<b>CHAPTER 7</b>
<b>INTERNATIONAL HERITAGE, INC.</b>	)	<b>CASE NO. 98-02675-5-ATS</b>
	)	
<b>Debtor.</b>	)	
	)	
<b>INTERNATIONAL HERITAGE,</b>	)	<b>CHAPTER 7</b>
<b>INCORPORATED,</b>	)	<b>CASE NO. 98-02674-5-ATS</b>
	)	
<b>Debtor.</b>	)	

**CHAPTER 7**  
**CASE NO. 98-02674-5-ATS**

**INTERIM APPLICATION FOR SPECIAL ATTORNEY  
FOR TRUSTEE FEE AND EXPENSE REIMBURSEMENT**

The undersigned Stephani W. Humrickhouse of Nicholls & Crampton, P.A. ("Applicant") applies to the Court for the entry of an Order approving and authorizing interim Special Attorney for Trustee fees for the period January 1, 2004 to October 25, 2004 in the amount of \$9,350.00 and expense reimbursement in the amount of \$223.13. In support of said Interim Application, Applicant respectfully shows the Court the following:

1. Applicant has acted as Special Attorney for the Trustee since employed and appointed by Order dated January 28, 1999. The services rendered by Applicant and members of its firm have been substantial and Applicant believes that allowance of a fee in full at this time is appropriate and necessary.

2. Fees in the amount of \$147,408.00 and expenses in the amount of \$6,327.94 have been applied for by the Applicant and approved by the Court prior to this Application. However, \$22,803.00 of that \$147,408.00 was applicable to the representation of the Trustee in his claims against the Debtor's principal, Stanley Van Etten and not related to the prosecution of general avoidance actions.

3. To date, the Applicant has delivered the total sum of \$478,621.17 to the Trustee for preferences, which includes \$67,712.51 collected prior to the initiation of the adversary proceedings and \$410,908.66 collected as a result of the adversary proceedings. Monies are collected by the Applicant and delivered to the Trustee to hold in trust pending Court approval. The status of the adversary proceeding cases is as follows:

- a. 61 adversary proceedings have been settled in the sum of \$401,204.90 and approved by the Court (plus a Rolex watch was turned over to the Trustee and subsequently sold by the Trustee at private sale for \$6,000.00).
- b. Default Judgment has been entered in 16 adversary proceedings (3 of which have been satisfied in the sum of \$9,703.76).
- c. 13 adversary proceedings have been dismissed because of a complete defense by the Defendant or the inability to locate the Defendant.
- d. One adversary proceeding has been dismissed due to the Defendant filing Chapter 11 bankruptcy.
- e. Judgment has been entered in one adversary proceeding after trial in the amount of \$2,620.00 + interest.

4. A Summary of Services Rendered which indicates the name of the attorney or paralegal, the hours spent, the hourly rate and total compensation requested is attached as Exhibit A. Attached as Exhibit B is a breakdown by hours and description of the services rendered in connection with this Application. Services rendered were reasonable and necessary in the proper representation of the Trustee. Said Exhibit B reflects an itemization of expenses incurred on behalf of the Trustee by category totals. A separate statement has been created for each adversary proceeding in which time has been entered so that settlement offers can be evaluated more efficiently.

5. The Trustee's agreement to pay the fees at the rates set out herein are substantiated in its Application by Trustee for Authority to Employ and Appoint Attorney Specially dated January 27, 1999. Stephani W. Humrickhouse has rendered professional services of not less than 49.3 hours and that for such professional services Trustee agreed to pay the rate of \$175.00 per hour. Phyllis W. Hill has rendered paralegal services of not less than 8.5 hours and that for such paralegal services Applicant is regularly paid at the rate of \$85.00 per hour.

6. Stephani W. Humrickhouse is a Partner with Nicholls & Crampton, P.A. She is a Board Certified Specialist in Bankruptcy Law by the North Carolina State Bar Board of Legal Specialization, is a former member of the Bankruptcy Council of the North Carolina Bar Association, previously served as Chairman of its Continuing Legal Education Committee, is a Certified Bankruptcy Specialist by the American Bankruptcy Certification Board and is an experienced Chapter 11 bankruptcy practitioner. Humrickhouse was admitted to the bar in 1980. Humrickhouse regularly charges and has been paid as her ordinary rate \$285.00 per hour. However, based on Court guidelines for the representation of the Trustee, she has only charged \$175.00 per hour during the time period covered by this Application in this case.

7. Phyllis W. Hill is a Paralegal with Nicholls & Crampton, P.A. She attended the University of Tennessee in Knoxville, TN majoring in Business Administration and received her paralegal/legal assistant degree from UT. She has been a paralegal since 1977 with seven years experience in Tax, Estate Planning, Trust and Estate Administration in Knoxville, TN, eight years experience in Civil Litigation with Hunton & Williams in Raleigh, NC and has been with Nicholls & Crampton since February, 1993, concentrating in Bankruptcy.

8. Copying charges are recorded by client identification number, pursuant to a control counting device connected to Applicant's copying machine. The copying charges are read by Applicant's Office Administrator twice monthly, at mid and end month, and entered into the Accounting Package on those "read" dates. Applicant does not have the ability to further break down the dates such copying charges were incurred other than as expressed above

9. Postage charges for are entered cumulatively at month's end.

10. Copies are charged at 20¢ per page, and fax transmissions are charged at \$1.00 per page for out-going transmissions, with no charge for incoming faxes. Deliveries are charged at the rate of \$7.50.

11. The best interests of the Trustee, the Debtor, and the Estates will be served by the allowance of this Application in full.

WHEREFORE, Applicant respectfully requests the Court for the entry of an Order allowing and authorizing Special Attorney for Trustee fees in the amount of \$9,350.00 and expense reimbursement in the amount of \$223.13.

This the 29 day of October, 2004.


  
Stephani W. Humrickhouse  
State Bar No. 9528  
Attorney for Trustee  
Nicholls & Crampton, P.A.  
Post Office Box 18237  
Raleigh, North Carolina 27619  
Telephone: (919)781-131

Exhibit A

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NORTH CAROLINA  
RALEIGH DIVISION

IN RE:	)	
	)	CHAPTER 7
INTERNATIONAL HERITAGE, INC.	)	CASE NO. 98-02675-5-ATS
	)	
INTERNATIONAL HERITAGE,	)	CHAPTER 7
INCORPORATED,	)	CASE NO. 98-02674-5-ATS
	)	
Debtors.	)	

**SUMMARY OF SERVICES RENDERED**

Nicholls & Crampton, P.A.

From January 1, 2004 to October 25, 2004, the undersigned person/firm has performed professional services for this estate in the capacity of special attorney for the Trustee during the Chapter 7 case. Attached hereto is an itemization of time expended and expenses incurred in the performance of these professional services.

<u>NAME</u>	<u>TITLE</u>	<u>HOURS SPENT</u>	<u>HOURLY RATE</u>	<u>TOTAL</u>
Stephani W. Humrickhouse	Partner	49.3	\$175.00	\$8,627.50
Phyllis W. Hill	Paralegal	8.5	\$ 85.00	\$ 722.50
			TOTAL FEES	\$9,350.00
			TOTAL EXPENSES	\$ 223.13
			TOTAL AMOUNT REQUESTED	\$9,573.13

Exhibit B

In Account With

**NICHOLLS & CRAMPTON, P.A.**

ATTORNEYS AT LAW

4300 Six Forks Road—Suite 700  
Post Office Box 18237  
Raleigh, North Carolina 27619

Telephone: 919/781-1311 Fax: 919/782-0465

Federal ID #

56-1201204

Invoice 46418

10/29/04

TO Holmes P. Harden  
c/o Maupin, Taylor & Ellis, PA  
3200 Beechleaf Ct. POB 19764  
Raleigh NC 27604

Client Id. 00-12075

Matter Id. 000-000-001 SH/G - International Heritage, Inc - Chapter 7

Amount Paid: \_\_\_\_\_

Return Upper Portion With Payment

For legal services rendered, including  
but not limited to

01/08/04	PL9	Draft Notice of Motion to Compromise and Settle Adversary Proceeding regarding John Brothers.	.40
01/09/04	PL9	Draft Interim Application for Special Attorney for Trustee Fee and Expense Reimbursement, Notice, Certificate of Mailing and proposed Order.	2.40
01/15/04	HUM	Conference with Holmes Harden re: Stan Van Etten Motions.	.40
01/26/04	HUM	Call to Holmes Harden re: status of hearing regarding Van Etten subpoena.	.20
02/05/04	HUM	E-mail to Stan Van Etten re: Brent Wood compromise.	.30
02/06/04	PL9	Draft Motion to Compromise and Settle Controversy, Notice and proposed Order regarding Brent Wood settlement.	1.00
02/09/04	HUM	Review pleadings in preparation of representing Trustee against Stan Van Etten.	1.50
02/12/04	HUM	Revise Motion to Compromise in	.40

A finance charge is computed on account balances unpaid 30 days  
after the billing date at a periodic rate of 1½% per month (Annual percentage rate of 18%).

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Brent Wood matter.

02/13/04	PL9	Finalize Brent Wood and Wood & Francis Motion to Compromise for filing.	.40
02/17/04	HUM	Prepare for meeting with Holmes Harden re: Van Etten Motion; meeting with Harden re: same.	3.20
02/18/04	HUM	Respond to Stan Van Etten information request concerning Brent Wood compromise Motion; review file re: same (.8); work on response to Van Etten AP against Trustee (3.2).	4.00
02/19/04	HUM	Work on Motion to Dismiss.	1.50
02/21/04	HUM	E-mails to Stan Van Etten to set up meeting re: Brent Wood compromise (.3); work on Motion to Dismiss Van Etten claims (1.0).	1.30
02/23/04	HUM	Finalize Motion to Dismiss and prepare for filing (.5); prepare for meeting with Stan Van Etten (.5).	1.00
02/24/04	HUM	Additional preparation for and meeting with Stan Van Etten.	2.20
02/25/04	HUM	E-mails to Van Etten re: Motion to Dismiss (.3); review documents	1.00

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from Van Etten (.3); conference  
with Holmes Harden re: Van Etten  
meeting (.4).

03/03/04	HUM	Work on Stan Van Etten response to compromise and Brent Wood claim; e-mail to Harden re: same.	.30
03/04/04	HUM	Review Van Etten response to Motion to Compromise Brent Wood action.	.50
03/05/04	HUM	Conference with Harden's office re: compromise on Brent Wood motion.	.20
03/10/04	HUM	Prepare for Motion to Dismiss hearing on Van Etten Complaint.	2.50
03/11/04	HUM	Prepare for and attendance at hearing on Motion to Dismiss.	3.80
03/12/04	HUM	Conference with Stan Van Etten re: IRS issue.	.40
03/19/04	HUM	Review Judge Small's Order on Motion to Dismiss; e-mails to Harden re: same.	.70
03/23/04	HUM	Various e-mails to Stan Van Etten; conference with Holmes Harden re: Wood hearing.	.70
03/30/04	HUM	Letter to Harden re: Van Etten	.30

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interrogatories.

03/31/04	PL9	Organize file and gather documents for hearing.	.80
04/01/04	HUM	Prepare for hearing on Brent Wood Compromise; attend hearing; e-mail to Wood re: modification.	2.20
04/02/04	HUM	Review e-mail from Wood; redraft Order and transmit to Van Etten and Wood.	1.20
04/14/04	HUM	Conference with Harden re: Van Etten discovery.	.40
04/16/04	HUM	Emails to Wood and Van Etten re: proposed Order; revise Order and submit to court.	.80
04/20/04	PL9	Evaluate files for collection.	2.00
04/26/04	HUM	Review and redraft response to interrogatories.	1.20
05/07/04	HUM	Review letter from Wood and transmit settlement funds to Harden.	.20
06/04/04	HUM	Emails to Van Etten re: deposition.	.30
06/07/04	HUM	Various emails re: deposition of Harden.	.30

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06/09/04	HUM	Letter to VanEtten transmitting March 16, 2000 letter (.3); various emails with VanEtten re: scope of deposition (.4).	.70
06/11/04	HUM	Conference with Harden re: deposition by Van Etten.	.20
06/14/04	HUM	Prepare for and attend deposition of Holmes Harden in Cary (4.5); various follow-up conferences with Harden re: document production (.5).	5.00
06/15/04	HUM	Draft stipulation of dismissal and transmit to VanEtten (.6); draft letter to VanEtten re: trustee's document request for privileged materials from Wood (.8); call to Harden re: Wood desucssions concerning privileged material (.4).	1.80
06/21/04	HUM	Various emails to Van Etten and Harden re: privilege log.	.30
06/22/04	HUM	Review Paul Sun request re: audio tapes and Harden response.	.30
06/26/04	HUM	Review correspondence between Harden and Sun re: audio tapes.	.30
07/07/04	HUM	Call to Joan Fleming re: Harden	.40

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deposition (.2); email to Van  
Etten re: court reporter (.2).

07/08/04	HUM	Conference with Stan Van Etten re: dismissal of AP against Harden.	1.00
07/09/04	HUM	Call to creditors re: unsecured distribution.	.20
07/16/04	HUM	Review draft Motion to Dismiss AP; get comments to VanEtten and Harden.	.80
07/20/04	HUM	Conference with Stan Van Etten re: Motion to Dismiss.	.40
07/23/04	HUM	Emails from Van Etten re: Motion to Dismiss.	.30
07/30/04	HUM	Review Motion for Approval of Compromise; prepare response to Motion; email to Holmes Harden re: same.	.80
08/13/04	HUM	Various emails concerning Van Etten AP with Harden; van Etten and Woods.	.70
08/18/04	HUM	Review Van Etten memo re: settlement.	.30
08/27/04	HUM	Email to Holmes re: Stan IRS dispute.	.30

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08/31/04	HUM	Emails re: government subpoena; email to Van Etten re: tax issues.	.80
09/02/04	HUM	Conference with Stan VanEtten re: IRS issues.	.40
09/14/04	HUM	Review Van Etten Motion to Show Cause and emails regarding same.	.50
09/15/04	HUM	Respond to Van Etten email requests for documents.	.30
10/04/04	HUM	Review file for Wood & Francis release.	.50
10/25/04	PL9	Work on draft of Special Counsel Fee Application.	1.50

Fees Billed

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\$ 9,350.00

Disbursements  
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Delivery Charge	\$	30.00
108 Copies @ \$.20 each	\$	127.20
Postage	\$	9.93
Fax	\$	39.00
Telephone Charges	\$	17.00

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Total Disbursements	\$ 223.13
Total Current Bill	\$ 9,573.13
Previous Balance	\$ 5,381.35
Balance Due	\$ 14,954.48
	=====

Fee Summary


Paralegal PWH worked 8.50 hours at \$ 85 an hour.  
S W Humrickhouse worked 49.30 hours at \$175 an hour.

CERTIFICATE OF SERVICE

It is hereby certified that the foregoing INTERIM APPLICATION FOR SPECIAL ATTORNEY FOR TRUSTEE FEE AND EXPENSE REIMBURSEMENT was served this day by placing a copy thereof in a depository under the exclusive care and custody of the United States Postal Service in a postage prepaid envelope and properly addressed as follows:

*via hand delivery*  
Mrs. Marjorie K. Lynch  
Bankruptcy Administrator  
434 Fayetteville Street Mall  
Suite 620  
Raleigh, NC 27602

This the 29 day of October, 2004.

  
\_\_\_\_\_  
Phyllis Hill  
Legal Assistant